
Hughes Hubbard & Reed

Hughes Hubbard's Lehman Team Settles Claims With Hong Kong, Singapore Affiliates

News & Events | Deals & Matters

Hughes Hubbard & Reed LLP • A New York Limited Liability Partnership
One Battery Park Plaza • New York, New York 10004-1482 • +1 (212) 837-6000

Attorney advertising. Readers are advised that prior results do not guarantee a similar outcome. No aspect of this advertisement has been approved by the Supreme Court of New Jersey. For information regarding the selection process of awards, please visit <https://www.hugheshubbard.com/legal-notice-methodologies>.

July 25, 2014 — Hughes Hubbard's Lehman team reached a deal with the Hong Kong and Singapore affiliates of Lehman Brothers Inc. (LBI) to settle more than \$1 billion in claims the entities had asserted against each other.

On July 11, Lehman Trustee Jim Giddens filed motions seeking court approval of settlements with the Hong Kong and Singapore affiliates that he said will help "avoid the expense and uncertainty of litigation" between LBI and each of the two affiliate groups.

Under the terms of the agreement with the Hong Kong affiliates, Giddens will recover assets valued at approximately \$71 million and get an additional \$16 million in six non-trust claims against the Hong Kong units. In return, the Hong Kong businesses will be allowed six unsecured non-priority general creditor claims against LBI in the aggregate amount of approximately \$233 million. Initially, each side had asserted claims of more than \$400 million against each other. The settlement must be approved by both Lehman's bankruptcy judge and a court in Hong Kong.

Under the terms of the agreements with the Singapore affiliates, Giddens will recover assets valued at approximately \$300 million. The Singapore units will be allowed four unsecured non-priority general creditor claims in the aggregate amount of approximately \$3 million. Initially, LBI and the Singapore affiliates had asserted claims of more than \$350 million against each other. The settlement must be approved by Lehman's bankruptcy judge.

Both settlements were approved on July 30.

The deal comes as Giddens seeks to recover money for creditors of the brokerage now that former customers of LBI have been paid in full. Last month, Giddens sought court approval to create a \$3 billion fund for general unsecured creditors, a week after the Hughes Hubbard Lehman team won bankruptcy court approval to pay in

full holders of all allowed secured and priority claims. A judge approved that request on July 30.

Giddens has returned more than \$105 billion to more than 110,000 individual customers, the largest distribution to customers in bankruptcy history.

Giddens is represented by an Hughes Hubbard team led by Jim Kobak and Chris Kiplok. Michael Salzman, Jeremy Turk and Mei Li Zhen assisted in this matter.

Related People



James W. Giddens



James B. Kobak, Jr.



Christopher K. Kiplok



Michael E. Salzman

Related Areas of Focus

Corporate Reorganization & Bankruptcy.